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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of)	CC Docket No. <u>98-14</u>
)	
Number Portability Query Services)	
)	
Ameritech Tariff, F.C.C. No. 2,)	CCB/CPD 97-46
Transmittal Nos. 1123, 1130;)	
)	
Bell Atlantic Tariff F.C.C. No. 1,)	CCB/CPD 97-52
Transmittal No. 1009;)	
)	
Southwestern Bell Tariff F.C.C. No. 73,)	CCB/CPD 97-64
Transmittal No. 2680;)	
)	
Pacific Bell Tariff F.C.C. No. 128,)	CCB/CPD 97-65
Transmittal No. 1962)	

Comments on Direct Cases

Illuminet, Inc. ("Illuminet") hereby files these comments on the Direct Cases submitted by Ameritech¹ and Bell Atlantic² (sometimes referred to as the "Companies"), and the filings made by Pacific Bell ("Pac Bell")³ and Southwestern Bell Telephone Company ("SWBT")⁴ in the above-captioned proceeding.⁵ Illuminet is a third

¹ See Direct Case of Ameritech, CC Docket No. 98-1, CCB/CPD 97-46, et al., filed February 13, 1998 ("Ameritech Direct Case"); see also Ameritech, Tariff F.C.C. No. 2, Transmittal No. 1123, filed September 16, 1997 ("Ameritech Tariff").

² See Direct Case of Bell Atlantic, CC Docket No. 98-1, CCB/CPD 97-52, filed February 13, 1998 ("Bell Atlantic Direct Case"); see also Bell Atlantic Telephone Companies, Tariff F.C.C. No. 1, Transmittal No. 1009, filed October 30, 1997 ("Bell Atlantic Tariff").

³ See Pacific Bell's Response to Order Designating Issues for Investigation and Motion to Terminate Investigation Order, CC Docket No. 98-14, CCB/CPD 97-65, filed February 13, 1998 ("Pac Bell Filing").

⁴ See Southwestern Bell Telephone Company's Response to Order Designating Issues for Investigation and Motion to Terminate Investigation Order, CC Docket No. 98-14, CCB/CPD 97-64, filed February 13, 1998 ("SWBT Filing").

046

party provider of Local Number Portability ("LNP") services and the administrative functions associated with implementing this service. Illuminet's LNP products provide an alternative arrangement to those offered by other entities, including the Bell Operating Companies. Accordingly, Illuminet is interested in ensuring that fair competition for the provision of LNP-related services is not compromised by the provision of services at unjust or unreasonable rates.

For procedural efficiency, the Federal Communications Commission ("Commission") should continue the investigation associated with the Pac Bell and SWBT tariffs. While the revised cost and demand information that will be provided by Pac Bell and SWBT may enable a more thorough review of their LNP query service offerings, Pac Bell and SWBT have not demonstrated that the underlying issues established in the Designation Order will be moot. Accordingly, the Commission should require Pac Bell and SWBT to accompany their revised tariff filings with their Direct Cases in response to the Designation Order's issues, and to serve these filings on the parties in this proceeding. The Commission also should establish a timetable for public comment on the revised information prior to taking any action on the tariff filings.

⁵ In the Matter of Number Portability Query Services, et al., Order Designating Issues for Investigation, CC Docket No. 98-14, CCB/CPD 97-46, et al., DA 98-182, released January 30, 1998 ("Designation Order").

With respect to Ameritech and Bell Atlantic, Illuminet agrees that the cost categories, including the allocation of overhead costs, utilized by Bell Atlantic and Ameritech appear appropriate for the identification and development of the rates associated with the provision of Local Number Portability ("LNP") query services. Nonetheless, the data provided by Bell Atlantic and Ameritech in support of its proposed rates is vague and lacks sufficient detail to demonstrate that such rates are just and reasonable. Absent more detailed responses regarding the rate development issues in this proceeding, there is no basis for the Commission to conclude that the Bell Atlantic and Ameritech rates are lawful.⁶ In support thereof, the following is shown:

I. Comments on the Pacific Bell and Southwestern Bell Telephone Company Filings

Pac Bell and SWBT have requested that the current investigation be "declared moot due to the development of updated cost support and demand forecasts which will result in revised tariffed rates and charges."⁷ Pac Bell and SWBT indicate that they will file revised rates based on updated cost and demand data,⁸ and

⁶ Illuminet recognizes that the rates, rate structures, regulations and services are subject to the resolution of similar issues within the Commission's number portability proceeding. See id. at para. 7.

⁷ Pac Bell Filing at 1; SWBT Filing at 1.

⁸ Pac Bell indicates that it will make such filing by March 13, 1998; SBWT indicates that it will make such filing by March 3, 1998. See Pac Bell Filing at 2; SWBT Filing at 2.

that no one would be harmed due to the fact that they have no customers for their respective LNP query service.⁹

While updated information may permit the Commission and interested parties an opportunity for a more thorough examination, Pac Bell and SWBT have not demonstrated that this new information will moot the issues designated by the Commission in this proceeding. Rather, grant of the Pac Bell and SWBT request would require the Commission and parties to expend additional resources: to reach the same procedural level that exist currently in this proceeding, parties would be required to oppose the tariffs and the Commission would be required to act upon such requests.

Accordingly, Illuminet requests that the Commission continue this proceeding with respect to Pac Bell and SWBT. The Commission should require Pac Bell and SWBT to file their revised information and tariff rates within this proceeding, and to accompany such filings with responses to the issues stated in the Designation Order. The Commission also should require Pac Bell and SWBT to serve these filings on the parties in this proceeding, and establish a timetable for public comment on the revised information prior to taking any action on the tariff filings.

II. Comments on Ameritech and Bell Atlantic Filings

The description of the cost categories identified by the Companies appears to comport with the development of data base services, in general, and LNP services, in particular. Illuminet

⁹ See id.

agrees with Bell Atlantic and Ameritech that, with the introduction of LNP, a company must incur not only the necessary capital investment and network configuration costs, but also must ensure that the costs associated with the operational and billing aspects of the service are considered.¹⁰ Thus, it is reasonable for Bell Atlantic and Ameritech to include as a cost category the costs associated with Operational Support Systems and billing systems modifications associated with the provision of LNP query service. The Companies' descriptions¹¹ associated with these cost categories support a finding that they are appropriately related to the provision of LNP query services and, therefore, are reasonably included as the types of costs required to develop the LNP query service rates.

Further, Illuminet agrees with the premise of the Companies that an allocation of overhead costs is appropriate for LNP query service rate development.¹² These costs are incurred regardless of the product or number of products offered by an entity. Allocation of these costs to the full array of services provided by an entity ensures that one set of services is not subsidized by another. This is particularly necessary where, as here, there is nascent

¹⁰ See Bell Atlantic Direct Case, Attachment 1; Ameritech Direct Case at 5-7.

¹¹ See Bell Atlantic Direct Case at 3-4; Ameritech Direct Case at 7-8 and Attachment 2.

¹² See Bell Atlantic Direct Case at 4-5; Ameritech Direct Case at 9.

competition for the provision of LNP query services. Accordingly, Illuminet submits that Bell Atlantic and Ameritech have demonstrated that allocating overhead costs to LNP query services is reasonable and justified.

Although Illuminet agrees with the cost categories utilized by the Companies, Bell Atlantic and Ameritech have failed to provide the necessary underlying data to justify the lawfulness of the proposed rates. The cost data provided is vague and general. As a result, both the Commission and interested parties have been foreclosed from conducting any meaningful analysis of the Bell Atlantic and Ameritech cost data. Bell Atlantic and Ameritech have failed to provide the specific cost basis and demonstration required for the conclusion that the proposed rates are "lawful and reasonable."¹³ Thus, there is no basis for approval of the Bell Atlantic and Ameritech rates.

In addition, Bell Atlantic included in its demand projections all independent carriers' LNP query service requirements without regard to the possibility that these carriers may make arrangements with alternative LNP data base offerings.¹⁴ Bell Atlantic's failure

¹³ Designation Order at para. 9.

¹⁴ Bell Atlantic Direct Case at 4, n. 5 ("Bell Atlantic conducted studies of its own call (and query) volumes and estimated the number of queries from other carriers in the manner described in the Order"). Bell Atlantic's reference to the Designation Order therefore suggests that Bell Atlantic estimated its demand solely on Interexchange Carriers and wireless carriers utilizing the LNP query service. See Designation Order at para. 10. In its tariff

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failure even to explain this demand assumption raises substantial questions regarding its rate development methodology. While Ameritech indicates that it took into consideration the availability of other LNP data base services,¹⁵ Ameritech has failed to explain the effects that such alternatives had on the estimated demand utilized in its tariff filing.¹⁶ Accordingly, Ameritech and Bell Atlantic have failed to demonstrate that their "bases for their demand forecasts are reasonable."¹⁷

III. Conclusion

The Commission should continue this proceeding for Pac Bell and SWBT and not declare this proceeding moot. Pac Bell and SWBT should be required to file in this proceeding their revised tariffs, support information, and a response to the Designation Order, and to serve these filings on all interested parties in this proceeding. The Commission also should establish a timetable for public comment on the revised information prior to taking any action on the tariff filings. With respect to Bell Atlantic and Ameritech, these Companies have provided insufficient information

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filing, however, Bell Atlantic included demand from new and existing local exchange carriers. See Bell Atlantic Tariff, Description and Justification at 6 and Workpaper 7-6. Accordingly, Bell Atlantic has failed to justify or explain its methodology for the demand utilized to support the rates in its tariff.

¹⁵ See Ameritech Direct Case at 13-14.

¹⁶ Ameritech Tariff, Description and Justification at 4.

¹⁷ Designation Order at para. 10.

and justification for a finding that their LNP query service rates are lawful. Accordingly, based on the record developed in this proceeding, Illuminet respectfully submits that the tariff rates be deemed unlawful. In the event that updated information is submitted, Illuminet reserves its right to respond to such information.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Colleen von Hollen, of Kraskin, Lesse & Cosson, LLP, 2120 L Street, NW, Suite 520, Washington, DC 20037, do hereby certify that on this 20th day of February, 19987, a copy of the foregoing Comments of Illuminet, Inc. was sent via U.S. mail, postage prepaid, to the following parties:

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